

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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June 12, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENTS TO THE CONTRACTS WITH  
QTC MEDICAL GROUP, INC. AND SOUTH ATLANTIC MEDICAL GROUP, INC.  
TO PROVIDE GENERAL RELIEF EMPLOYABILITY SCREENING SERVICES  
(ALL DISTRICTS -- 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that services performed under these contracts continue to be performed more economically by Contractor than by County employees.
2. Approve and instruct the Chairman to sign the enclosed Amendments with QTC Medical Group, Inc., a private for-profit organization, and South Atlantic Medical Group, a private for-profit organization, for the provision of General Relief (GR) Employability Screening Services for the Department of Public Social Services (DPSS), effective July 1, 2007, on a month-to-month basis, not to exceed twelve (12) months. The contract costs are funded 100% with net County cost (NCC).
3. Delegate authority to the Director of the Department of Public Social Services, or the Director's designee, to exercise any or all of the eleven month-to-month options, the exercise of which would be required to extend the term of these contracts to their twelve month maximum.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Upon completing a solicitation process, the Department proceeded with filing a Board Letter recommending a contractor to provide the services upon the expiration of the current contracts on June 30, 2007.

In complying with the Countywide Protest Policy, two proposers requested Debriefing meetings. One proposer (Lemus Medical Center) requested a tier-two level of review and may pursue a level three (CAO Review Panel) review. To allow sufficient time for processing a possible level three protest, and to prevent any lapse in providing services to participants, the Department withdrew the request to your Board and is subsequently filing for approval to extend the current contracts.

QTC Medical Group (QTC), Inc. and South Atlantic Medical Group (SAMG), Inc. currently provide Employability Screening Services for General Relief (GR) applicants/participants. Employability Screening Services are needed to determine a GR applicant's/participant's medical ability to work. The need for such services will remain constant as long as the determination of employability continues to be a condition of eligibility for GR.

### **Implementation of Strategic Plan Goals**

Contracting out for Employability Screening Services is consistent with the principles of the Countywide Strategic Plan's Goals #1, Service Excellence, Strategy #1, to develop user-friendly service standards and Strategy #2 to implement seamless service delivery systems. These services are provided at no cost to the participant.

### **FISCAL IMPACT/FINANCING**

The Amendments provide for a fixed unit cost per screening, per region, with no cost-of-living increase. Based on the actual number of screenings performed by the contractors during the period July 2006–April 2007, the cost of services for the maximum 12-month period is estimated at \$1.6 Million for QTC and \$1.4 million for SAMG. The estimated annual cost of \$3.0 million is included in the FY 2007-08 Proposed Budget. These services will be financed by 100% County funds.

General Relief is a County program with no State or federal subvention. The contract costs for employability screenings are borne entirely by the County.

### **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

General Relief is a County program mandated by the State of California Welfare and Institutions Code section 17000, et. seq., which requires counties to provide relief and support to indigent persons not eligible for assistance under State or federal categorical aid programs.

Section 2.102.120 of the Los Angeles County Code requires employable GR applicants and participants to participate in an employment program as a condition of eligibility for GR. Refusal or failure to comply with that requirement, without good cause, renders an employable participant ineligible for GR. An employable participant who states that he or she is unable to participate in the mandatory employment program due to a physical and/or mental illness or disability and is unable to participate in mandated work-related activities is required to obtain a physician's statement from the contracted provider, DHS or Veteran's Administration (VA), supporting his or her incapacity. All applicants and participants stating they are physically disabled are referred to the contractor for an employability screening to determine their ability to work. The County Department of Mental Health performs evaluations for applicants and participants who need documentation of unemployability due to mental disabilities.

The approval of these Amendments will not result in unauthorized disclosure of confidential information and will be in compliance with applicable federal, State, and County confidentiality laws. There is no employee impact as a result of the contract since services are currently being provided by contractors.

The County may terminate these contracts for convenience with thirty (30) days prior written notice. The contract also contains a provision that limits the County's obligation if funding is not appropriated by the Board of Supervisors for each year of the contract.

The contractors are in compliance with all Board, Chief Administrative Office, and County Counsel requirements.

The Amendments have been approved as to form by County Counsel.

Honorable Board of Supervisors  
June 12, 2007  
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**IMPACT ON CURRENT SERVICES**

The approval of these Amendments will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

**CONCLUSION**

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one (1) adopted, stamped Board Letter and four (4) original-signature copies of each Amendment to DPSS.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. L. Browning", with a long horizontal stroke extending to the right.

Philip L. Browning  
Director

Enclosures

c:     Executive Officer, Board of Supervisors  
         Chief Administrative Officer  
         County Counsel  
         Auditor-Controller  
         Department of Health Services